Grumman Reorganizes For The Future

"We're making some changes in the way we run our business," said Grumman Corporation Chairman Jack Bierwirth. "It's going to make us more efficient, more competitive, more responsive to our customers — and it's going to encourage the entrepreneurial spirit that has helped this company grow."

Bierwirth announced that Grumman is being reorganized into operating divisions, each one matched to a specific market. Each is headed by a division president who will be accountable for meeting growth and profitability goals.

"We are matching our organization to our markets so that every customer will know that his concerns are of paramount importance to the Grumman division with which he does business," said Bierwirth.

Until the reorganization, Grumman had operated through a structure of wholly owned subsidiaries, the largest of which was Grumman Aerospace Corporation. Because these subsidiaries are legal entities — entities that sign contracts and own property, for example — they will continue to exist for contractual and other legal purposes.

"One way to think about it is that we're putting Grumman Data Systems and Grumman Allied back in Grumman Aerospace, and merging Aerospace management with Grumman Corporation's," said Bierwirth. "In other words, we're really not changing all that much. All of those things existed in Grumman Aerospace before. We will now, more than ever, all be working together."

The subsidiary structure was put into place in the early '70s. "It was appropriate then; it worked for us," he added. "But our requirements have changed as our opportunities have expanded. This reorganization enables us to be more flexible, to be more competitive, to grow. And we see substantial opportunities for growth."

Said Grumman Corporation president George Skurla, "This organizational realignment is going to enhance our pursuit of new opportunities. It gives us greater visibility and product identification for emerging growth areas; a reduction of costs through improved pricing profiles. Each division will be able to formulate strategy, plan, price, and produce to maximum profit — without creating its own bureaucracy while doing it."

The reorganization is to be accomplished in an evolutionary way, with minimal disruption. Most of the restructuring should be in place within several months.

Although the basic framework has been established, many questions must be answered — for instance, into which division a particular department or group will fall

"In a lot of companies, a reorganization of this magnitude would be done quite differently," said Bierwirth. "Every last detail would be worked out behind closed doors, and everything would be set in concrete before the announcement was made.

"That approach wouldn't suit Grumman's style — our company's personality," said Bierwirth. "Here, we tend to work things out among ourselves, with a lot of discussion. We'll come out with solutions that work best for us that way."

These are the operating divisions and their presidents: Aircraft Systems — Renso Caporali; Electronics Systems — Robert Nafis; Data Systems — John O'Brien; Aerostructures — Thomas McGrath; St. Augustine — Joseph Walter; Technical Services — Fred Haise, Jr.; and Vehicle and Marine — Ronald Peterson.

In addition, a Corporate Services Division, headed by Robert Myers, (who has also been named a corporate vice president) will provide legal, purchasing, contracts and other commonly used services to all the operating divisions.

Grumman is competing for major contracts in NASA's manned space station program as well as the J-STARS military missile guidance system. If successful, Grumman would create two more operating divisions: J-STARS, to be headed by Al Verderosa, and Space Systems, under Alexander Alexandrovich.

"We are matching our organization to our markets so that every customer will know that his concerns are of paramount importance to the Grumman division with which he does business."

The board of directors also approved these related elections and appointments: Dan Huebner, senior vice president — marketing and development; Richard Scheuing, vice president — Corporate Research Center; George Kinnear, vice president — Washington operations; and Rolf Larson, executive vice president, Grumman Internatiaonal.

The division presidents, together with Dan Huebner and vice president and controller Nat Busi, will work with Gavin to develop the management structure in detail.

"All of the divisions will have certain dependencies," Bierwirth pointed out. "They'll have to depend on Corporate Services for legal help or contracts; they'll need support from Marketing — and they'll have to depend on each other as they cooperate in new businesses.

"We expect that the new structure will encourage greater autonomy. But we don't expect to see any division president defending his 'turf' at the expense of the corporate interests."

"We must make sure that our customers are comfortable with our restructured organization so that we don't jeopardize our established relationships," Skurla added. "The key to our success will be our ability to orchestrate our available financial and human assets in pursuit of these projects."

Skurla Named Grumman Corporation President; Gavin To Chair Executive Committee

"This is an exciting time for Grumman — a time of opportunity and challenge," said George M. Skurla, the new president of Grumman Corporation. Skurla, who had been president and chairman of Grumman Aerospace, succeeds Joe Gavin, who becomes chairman of the executive committee.

"The management organization we've put into place is geared to move us into the late 80s and 90s, ready to penetrate new markets," Skurla said.

As chairman of the Executive Committee, Gavin will oversee the reorganization.

"This new plan puts our operating managers closer to their products and closer to their customers," said Gavin. "It will make us more efficient and help us control our costs. Every change we make has to be examined against that criterion: how does it affect our costs? We can't afford to be complacent. We are continually competing for the business we have, and we must continue to find ways to be more efficient."

After graduation from the Massachusetts Institute of Technology and service in the Navy, Gavin came to Grumman in 1946 as a design engineer on the XF9F-2 Panther program. He was appointed project engineer on the F9F-6 Cougar program in 1950, and held the same post on the F11F-1 Tiger program in 1952. He became chief experimental project engineer in 1956, and from 1957 to 1962 served as chief missile and space engineer.

In 1962, Gavin was elected a vice president and given direction of the Lunar Module program; he was named director of space programs in 1968. The following year, he was elected a director of Grumman Aerospace. He was promoted to senior vice president in 1970 and elected president in 1972. A year later, he was elected chairman of the board of Grumman Aerospace, retaining his position of president.

George Skurla

Joe Gavin

In 1974, Gavin was elected to the National Academy of Engineering for his leadership in the design and production of the Apollo Lunar Module.

Gavin is chairman of the National Research Council's Committee on International Cooperation in Magnetic Fusion.

He was elected president of Grumman Corporation in 1976.

Skurla joined Grumman as an engineer in 1944 after graduation from the University of Michigan. He worked in the stress and research departments before being appointed chief of structural flight test in 1950. He later became chief engineer for the aluminum truck division. He returned to the parent company in 1960, serving as manager of corporate commercial product development and, later, assistant director of flight test. In 1965, he was named director of operations for the Lunar Module program at NASA's Kennedy Space Center.

Skurla was elected a vice president of Grumman Aerospace in 1970, before returning to Bethpage as director of product engineering for all aircraft and spacecraft programs.

In 1973, he was named general manager of operations at Calverton; the following year, he was elected president of Grumman Aerospace and to the board of Grumman Corporation.

In 1976, Skurla was elected chairman and chief executive officer of Grumman Aerospace.

Ten New Divisions, Ten New Presidents

Aircraft Systems

Renso Caporali, president of Aircraft Systems, was senior vice president of technical operations for Grumman Aerospace.

Caporali began his career with Grumman in 1959 as a structural flight test engineer. From 1964 to 1966, he was assistant manager of flight test vehicle technology, and from 1966 to 1968 he was assistant to the vice president of engineering, Grant Hedrick. In 1969, he became assistant to the director of flight test for advanced development.

In 1973, he was appointed director of design engineering for Grumman Aerospace and, two years later, was named director of advanced USAF tactical aircraft. He was also named director of advanced systems technology, a post he held until 1980, when he was elected vice president-development.

Caporali received his bachelor of civil engineering degree in 1954 and his master of mechanical engineering degree in 1960 from Clarkson College of Technology. He holds three degrees from Princeton University: master of aeronautical engineering; master of arts in aeronautical engineering; and doctor of philosophy in Aeronautical Engineering.

From 1954 to 1958, he served in the U.S. Navy as an airborne early warning pilot.

Electronics Systems

Robert Nafis is president of the Electronics Systems division.

Nafis had been vice president - corporate development of Grumman Corporation since September 1984.

Nafis joined Grumman in 1949 as an electronics engineer on numerous aircraft programs. In 1963, he became chief business development engineer.

In 1965, he became director of antisubmarine warfare programs and in 1968, manager of the F-14 program.

When Grumman established the Grumman Data Systems subsidiary, Nafis was elected vice president in charge of corporate development. He was president of Grumman Data Systems from 1973 to 1983.

In 1983, he became vice president and assistant to the chairman of Grumman Corporation.

Nafis was a recipient of a Grumman Engineering Scholarship and graduated from Cornell University with a bachelor of electrical engineering degree in 1949. He was named recipient of an Alfred P. Sloan Fellowship to the Massachusetts Institute of Technology, where he received a master of Science degree in industrial management in 1965.

Data Systems

John O'Brien is president of the Data Systems division.

O'Brien had been president of Grumman Data Systems Corporation since February 1983.

O'Brien joined Grumman in 1954 as a flight test analyst and became a flight test engineer in 1958. He was assigned to contracts administration from 1960 to 1966, when he became director of contracts. In 1969, he was appointed director of resources.

In February 1970, O'Brien was elected administrative vice president of Grumman Aerospace and was elected senior vice president - administration and resources in 1975. He served as executive vice president from 1979 to 1983.

O'Brien studied civil engineering at the State University of New York at Farmingdale. In 1966, he was selected to attend the Program for Senior Executives at the Alfred P. Sloan School of Management at the Massachusetts Institute of Technology.

Aerostructures

Thomas McGrath is president of the Aerostructures division.

Previously, McGrath was vice president - subcontracts and commercial products, Grumman Aerospace.

McGrath began his career with Grumman in 1965 in the support department, where he was program business manager. He was then successively: program manager of the TC-4C aircraft program, vehicle shuttle manager of the shuttle trainer aircraft program and director of the nacelles and thrust reversers programs.

In 1977, McGrath was appointed assistant to the Grumman Aerospace president. In 1979, he was named managing director of subcontracts and commercial products. He was elected vice president of subcontracts and commercial products in 1982.

A veteran of the United States Air Force, McGrath holds a bachelor of science degree in industrial management from Adelphi University. He attended the Management Development Program at Harvard University in 1979.

Vehicle & Marine

Ronald Peterson is president of the Vehicle and Marine division. He was named president of Grumman Allied Industries in 1984.

Peterson joined Grumman in 1959 as an aerodynamic performance analyst. In 1962, he was appointed project aerodynamicist on the E2/C2 aircraft program. He later became assistant to the vice president for aircraft programs.

In 1968, Peterson was appointed KA-6D program manager and served in this capacity until 1972. The following year as a Sloan Fellow at MIT, he earned a master of science degree in business management. He then became director of the energy programs department.

In 1977, he was named president of Grumman Energy Systems Inc. Two years later, Peterson was appointed chairman of the board of Energy Systems. In 1981, he became vice president-development of Grumman Corporation.

Corporate Services

Robert Myers is president of the Corporate Services division.

Myers was senior vice president - resources of Grumman Aerospace since 1983.

He joined Grumman in 1957 as an administrator in the engineering department. In 1964, he became program control manager for the Apollo Lunar Module program.

In 1968, he became corporate planning, control and budgets manager for resource planning. A year later, he was named program control manager for the F-14 program and in 1972 became deputy director of the planning, control and budgets department.

In 1978, he was named deputy director of business operations. He was elected vice president — resources of Grumman Aerospace, serving from 1980 - 1983. In that capacity he directed the estimating, pricing contracts and corporate budgeting activities as well as the functions of capital budgeting, facilities engineering and corporate systems.

A 1955 graduate of New York University with a bachelor of civil engineering degree, Myers later attended NYU's Graduate School of Business Administration. In 1972, he completed the Program for Management Development at Harvard Business School.

Technical Services

Fred Haise, Jr. is president of the Technical Services division. He has headed the unit since it started as Grumman Technical Services Inc. in 1983 in Titusville, Florida, to support the space shuttle program.

Haise joined Grumman Aerospace Corporation in 1979 as vice president of space programs after a 20-year career with NASA as a pilot and astronaut.

Haise was on the Apollo 13 mission in which a mishap forced the crew to convert the lunar module "Aquarius" into a lifeboat while circling the moon.

Haise commanded one of the two-man crews that piloted the space shuttle during test flights. He was slated to command the shuttle's third orbital test mission, but chose to join Grumman instead.

Haise joined NASA in 1959 as a research pilot after graduating from the University of Oklahoma with an aeronautical engineering degree.

In 1966, Haise was one of 19 men selected to join the astronaut corps. He served as the lunar module pilot for the Apollo 13 flight and as a backup pilot for Apollo 8, 11 and 16.

St. Augustine

Joseph Walter is president of the St. Augustine division.

Walter joined Grumman Aerospace in 1982 as assistant to the vice president of manufacturing. He was subsequently named director of the A-4 program for Grumman International. In 1983, he became president of Aerospace's St. Augustine subsidiary.

A retired Navy captain and aviator, Walter was the assistant project manager responsible for the engineering design and development of the F-14 Tomcat at the Naval Air Systems Command from 1973 - 1976.

From 1976 to 1979, Walter was responsible for the engineering and material readiness of all U.S. Naval Air Force Atlantic Fleet aircraft.

Walter was commanding officer of the Naval Air Rework Facility, Pensacola, Florida from 1979 until September 1981.

A 1955 graduate of the United States Naval Academy with a bachelor of science degree, Walter received a master of science degree in 1963 from Princeton University.

J-STARS

Al Verderosa will be president of the J-STARS division. He has been vice president of aircraft and marine programs for Grumman Aerospace since 1982.

Verderosa began his career at Grumman in 1956 as an electronics engineer, working on the S-2, OV-1 and HU-16 aircraft. During the 1960s, he served as assistant project engineer and project engineer for the HU-16 and S-2 programs respectively.

In 1970, Verderosa became assistant program manager for the E-2C program; he was named program manager in 1973. From 1976 to 1980, he served as program director for the E-2C, C-2 and hydrofoil programs. He was then appointed director of aircraft and marine programs.

Verderosa received a bachelor of science degree in engineering management from Long Island University in 1967, a masters of business administration from Cornell in 1980.

Space Systems

Alexander Alexandrovich will be president of the Space Systems division.

He has been vice president of space programs for Grumman Aerospace since 1983.

Alexandrovich joined Grumman in July 1963 as assistant to the vice president of engineering, after sixteen years at General Electric Corporation where he was manager of weapon control engineering. He became Grumman's director of systems technology in the fall of 1963.

In 1970, Alexandrovich became vice president and deputy director of technical operations. In 1973, he became vice president and director of advanced system technology.

In 1976, he was named vice president and director of training systems. Alexandrovich was vice president for avionics and software from 1977 until 1983.

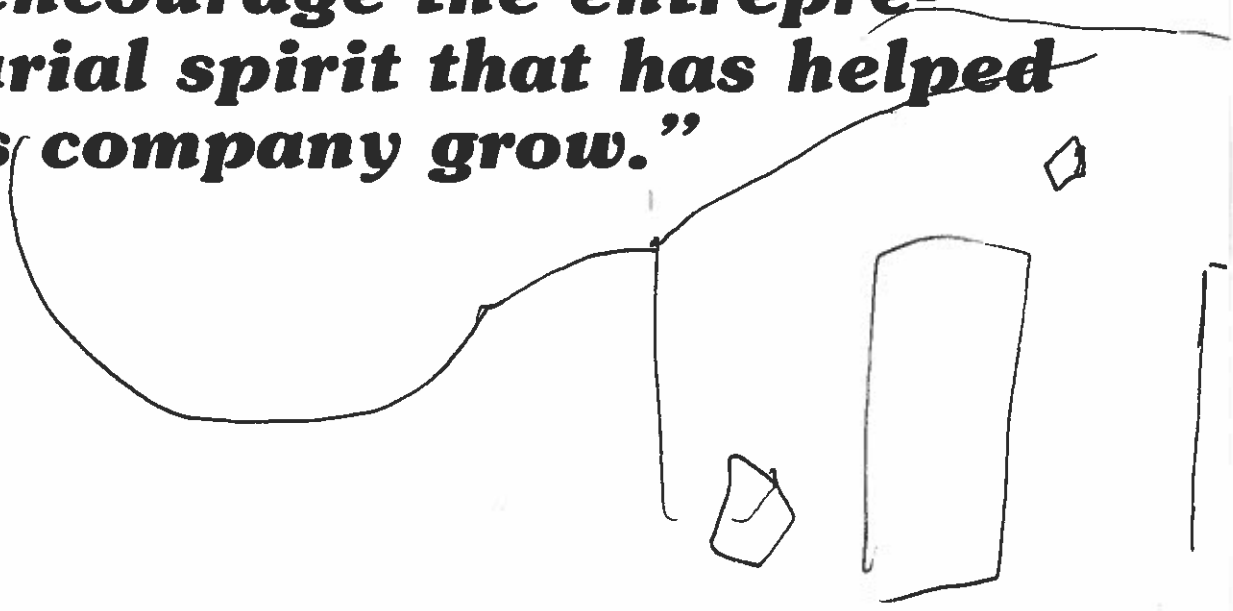
A graduate of North Carolina State College with a bachelor of engineering degree in 1947, Alexandrovich received his master of electrical engineering degree in 1953 from Union College.

GrummanWorld™

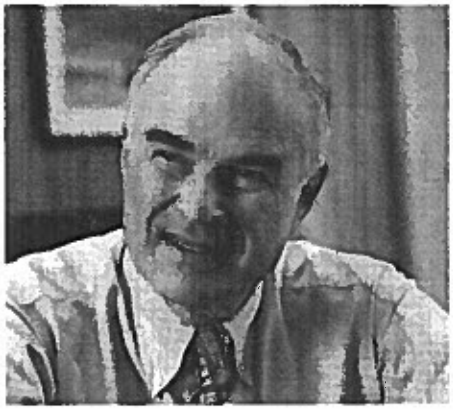
Special Issue

Divisions formed
July 1, 1985 —
Mid July
19 Div officers appointed

"We're making some changes in the way we run our business. It's going to make us more efficient, more competitive, more responsive to our customers --- and it's going to encourage the entrepreneurial spirit that has helped this company grow."



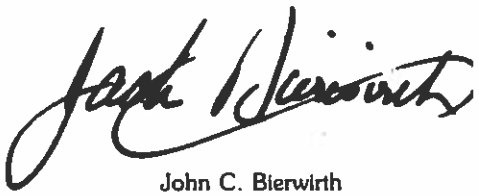
A Letter From The Chairman



This special issue of Grumman World describes the beginning of a process of restructuring and renewal that will evolve in an orderly way over the next several months. It is the product of over two years of study, during which we carefully examined our markets and the trends we can discern within them, our capabilities and those of our competitors, and our cost structure. We looked at the technologies that are critical to our future and at the new markets where our current technologies may be applied. As we did this, we kept in mind the human values, the spirit and personality of Grumman that combine to make this company special and that are crucial to our success in the future.

Your own job is probably not immediately affected by these changes. You'll be doing the same things next week that you were last week. You may soon become a member of a Grumman division, but you still are first and foremost an important member of the Grumman team.

The most important change we're making has nothing to do with boxes on organization charts or names and titles. It is the change we're beginning to make in some of the ways we think about our jobs, our company and our collective future. We'll talk more about that in the months ahead.



John C. Bierwirth
Chairman

GrummanWorld
A22-111
1111 Stewart Avenue
Bethpage, NY 11714

Bulk Rate
U.S. Postage
Paid
Hicksville, NY
Permit No. 1110